

**Seattle Department of Transportation**

Seattle Municipal Tower

700 Fifth Avenue

PO Box 34996

Seattle, WA 98124-4996

Attn: Goran Sparrman, Interim Director

Plzen, August 27, 2018

Ref.: TRN/O2/22/2018

**Subject: Connector Project – Vehicle Contract**

Dear Sir,

Skoda Transportation (Skoda) is one of the biggest European's foremost manufactures of rolling stock. Skoda production range at present time includes all types of low-floor streetcars and LRVs, commuter trains and heavy rail cars, subway coaches and high speed electric locomotives. Besides of all kinds of rolling stock manufactured in several subsidiaries located in Czech, Germany, Finland, Hungary and Russia there is also production of electrical components as for instance traction motors and propulsion equipment within Skoda Transportation Group.

Skoda as a seasoned supplier also manufactured first modern US streetcar vehicles delivered to Portland, OR and Tacoma, WA in the years 2001 and 2002. The vehicles have been under reliable and successful revenue operation in these cities for more than 15 years and for over 1 million miles.

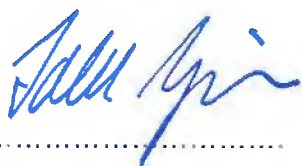
Because of small number of orders for low-floor streetcar vehicles in the USA in following years Skoda concentrated its attention primarily on European market. For roughly last 20 years Skoda manufactured totally more than 1100 streetcar vehicles and LRVs which were supplied to many transit agencies in Europe and Asia. Due to this fact Skoda could be considered as really experienced supplier delivering its vehicles within the budget and within project time schedule.

Based on good economic results in recent years Skoda Transportation was bought by the biggest Czech Investment Group called PPF late 2017, managing assets of more than 40 mil. EUR. Considering PPF as world-wide company being active also in the USA, Skoda Transportation decided to enter decisively US rolling stock market having at the moment plans mainly for possible supply of streetcars, light rail vehicles and subway cars.

Some time ago Skoda with regret learned about the suspension of Seattle Connector Streetcar Project and about the difficulties stemming from the vehicle contract closed for this project. Skoda would like to help to the City of Seattle to resolve the vehicle issue.

As the owner of intellectual property to the streetcar vehicles manufactured according to applicable US standards Skoda is able and more than willing to supply the vehicles complying fully with original Seattle Streetcar Vehicle Technical Specifications. Such vehicles delivered by Skoda will be fully compliant with Seattle streetcar lines, platforms on passenger stops, maintenance facilities and other equipment needed for vehicles operation and their maintenance. Skoda also thinks that the vehicles could be supplied for very reasonable price which could mitigate at least partially the costs connected with the suspension of the Connector Project respectively with possible termination of current vehicle. If above described Skoda proposal would be interesting to the City of Seattle Skoda is keen to discuss this matter with the City of Seattle and to prepare detail proposal for Connector Streetcar Project.

Yours faithfully,



Zdenek MAJER

Vicepresident

Skoda Transportation Group